MINUTES OF MEETING OF
HEALTH STRATEGIES COUNCIL
Department of Community Health, Division of Health Planning
2 Peachtree Street, Suite 34.262
Atlanta, Georgia 30303-3159
Friday, November 22, 2002
11:00 am – 1:00 pm ■ Monroe County Hospital, Forsyth, GA

Daniel W. Rahn, M.D., Chair, Presiding

MEMBERS PRESENT
William G. "Buck" Baker, Jr., MD
Honorable Glenda M. Battle, RN, BSN
Harve R. Bauguess
David Bedell, DVM
Edward J. Bonn
Elizabeth P. Brock
W. Clay Campbell
Tary Brown
Nelson B. Conger, DMD
Katie B. Foster
Charlene M. Hanson, Ed.D., FNP
Reverend Ike E. Mack
Felix Maher, DMD
Julia L. Mikell, MD
James G. Peak
Raymer Martin Sale, Jr.
Toby D. Sidman
Oscar S. Spivey, MD
Kurt M. Stuenkel, FACHE
David M. Williams, MD

MEMBERS ABSENT
Anthony J. Braswell
Sonia Kuniansky
Honorable Evelyn Turner Pugh
Catherine Slade
Tracy M. Strickland
Katherine L. Wetherbee

GUESTS PRESENT

Armando Bassaratte, Parker Hudson
Sammie Battle, Resident, Decatur Georgia
Charlotte W. Bedell, Tift County Commissioner
Taffey Bisbee, Gill Balsano Consulting
Delaine Hall, Georgia Dental Association
Doug Holbrook, St. Joseph's Health System
Stan Jones, Nelson, Mullins
Dodie Putman, HCA
Kevin Rowley, St. Francis Hospital, Columbus
Genia Ryan, Georgia-Assisted Living Federation of America
Jane Schiff, GBCC
Helen Sloat, Nelson Mullins
Buzz Tanner, Monroe County Hospital
David Tatum, Children's Healthcare of Atlanta
Leah Watkins, Powell Goldstein
Carol B. Williams, Piedmont Hospital

STAFF PRESENT

Valerie Hepburn
Jamillah McDaniel
Stephanie Taylor

WELCOME AND CALL TO ORDER

The meeting commenced at 11:10 am. Dr. Rahn welcomed Health Strategies Council members and guests and thanked Gale "Buzz" Tanner, Administrator of Monroe County Hospital, for hosting the Council's quarterly meeting, and providing a tour of the hospital for Council members.

PRESENTATION ON CRITICAL ACCESS HOSPITALS

Dr. Rahn called on Valerie Hepburn to introduce the guest presenters: Isiah Lineberry and Charles Owens of the Department of Community Health/Office of Rural Health Services (ORHS) and Buzz Tanner, Administrator of Monroe County Hospital. The speakers provided an overview of the critical access hospital (CAH) designation process including a discussion of the benefits of critical access hospital designation. Mr. Lineberry thanked Health Strategies Council members for their support of the ORHS over the years and he introduced Charles Owens, who manages the state's CAH program.

Mr. Owens reported that the Medicare Rural Hospital Flexibility Program was established in 1997. This legislation allowed hospitals in rural counties to streamline services and to provide a full cadre of inpatient and outpatient care that is scaled to meet local community needs, including providing emergency medical services. Hospitals seeking CAH designation can maintain no more than 15 acute care beds but may maintain an additional 10 swing beds. CAHs must offer general outpatient diagnostic services and have an identified rural referral partner. The average length of stay must be no more than 96 hours. The advantage of this designation is the hospital's ability to receive cost-based reimbursement.

Mr. Owens noted that the ORHS offers several services to CAHs including the provision of technical assistance in the following areas: financial feasibility assessments, periodic financial audits to ensure that hospitals are maximizing all reimbursement mechanisms, EMS/trauma integration and operational enhancement evaluations. The ORHS also actively secures grants to assist in rural hospital development. Mr. Owens said that through the Small Rural Hospital Improvement Grant Program, which was recently administered, forty-seven of Georgia's rural hospitals received grants totaling $480,000 to support a range of development. He indicated that additional benefits of CAH designation in Georgia include: enhanced reimbursement from state health insurance and Medicaid, including outpatient reimbursement, and the ability to use State Health Benefits Plan as the hospital's health insurance provider. He said that over half of all designated CAHs in Georgia have taken advantage of this opportunity. Several others have expressed an interest in participating in this health insurance option at the next open enrollment period.

Mr. Owens said that Georgia ranks 9th nationally and leads the southeastern region in the number of hospitals that have sought and received CAH designation. He said that Monroe County Hospital was one of the first hospitals in the state and in the nation to seek this designation. Georgia has 27 hospitals that are designated as CAH; 67 hospitals are eligible to seek the CAH hospital designation.

Buzz Tanner, Administrator of Monroe County Hospital welcomed Health Strategies Council members and guests to the hospital. He introduced Kay Floyd, Assistant Administrator of the hospital. He said that he appreciated the opportunity to provide a tour of the hospital to Council members and to host the meeting. Mr. Tanner outlined some of the challenges that small, rural hospitals face in today's healthcare environment and he reported that the CAH program has had a very positive impact on Monroe County Hospital's ability to provide care to patients and to remain a viable health care resource for the local

community. He shared some of the hospital's recent successes and challenges and thanked the staff of the Office of Rural Health Services for their ongoing support and guidance.

Ms. Hepburn told Council members that the Council played a key role in working with Division staff to develop a state health plan for Georgia's rural hospitals to participate in the Medicare Rural Hospital Flexibility Program.

REVIEW AND APPROVAL OF THE MINUTES OF THE MEETING OF AUGUST 23, 2002

A motion to accept the minutes of the meeting of August 23, 2002 was made by Elizabeth Brock and seconded by Dr. Buck Baker. Dr. Rahn indicated that there was a spelling error in the minutes. Division staff duly noted this correction.

CHAIRMAN'S REPORT

Dr. Rahn delayed his report pending the Department/Division update.

DEPARTMENT AND DIVISION UPDATES

Dr. Rahn called on Valerie Hepburn to provide an update of Department and Division activities. Ms. Hepburn said that many Council members had expressed concern about whether they would be required to resign, given the fact that Governor-Elect Perdue had called for the resignation of all appointed management officials. She said that it is not unusual that top political appointees are asked to resign following changes in political leadership. All appointees have been invited to reapply for their positions and most have indicated that they intend to reapply. Ms. Hepburn indicated that some Boards may experience change but she does not predict that there will be any immediate changes to the Health Strategies Council. She noted that there are nearly 400 boards members appointed by the Governor and it is unlikely that there will be wholesale changes to all of these bodies. She further noted that the terms of the members of the Health Strategies Council members are staggered and changes could be made as vacancies become available. In the meanwhile, she indicated that work in the Department and the Division is ongoing. She indicated that the Department is expected to receive lots of attention because the Department of Medical Assistance (DMA) falls under its jurisdiction and has one of the largest operating budgets in the state. Ms. Hepburn encouraged Health Strategies Council members to continue to stay focused on their work and the ultimate goal of the Council which includes the improvement of the health and quality of life of all Georgians. She said that anyone who would like additional information about Governor-Elect Perdue's platform and his transition process is encouraged to visit his website at www.anewgeorgia.org . Dr. Rahn concurred with these comments and reminded Council members that the work of the Council continues.

PROPOSED COMPONENT PLAN AND RULES FROM THE SHORT STAY GENERAL HOSPITAL TECHNICAL ADVISORY COMMITTEE (TAC)

Dr. Rahn called on Jim Peak, Chair of the Short Stay General Hospital TAC, to provide a report of the TAC's work. Mr. Peak said that the current hospital plan was written in 1983. At the February 2002 meeting, the Health Strategies Council appointed the TAC to review and develop new guidelines. The TAC worked over nine months to develop new guidelines, copies of which were mailed to members prior to today's meeting. The draft guidelines include an objective numeric need methodology, an exception to need standard, financial and geographic access considerations, favorable consideration, quality, adverse

impact, continuity of care and consolidation standards. Mr. Peak said that in addition to the public comment period that was provided at each meeting of the TAC, a public forum was held to provide an additional opportunity for community input. He said that several Council members served on the TAC including Ed Bonn, Kurt Stuenkel, Cathy Slade, and Drs. Williams & Baker. He also acknowledged TAC member, David Tatum. Mr. Peak also thanked the Division staff for their support.

Dr. Rahn reviewed each component of the draft hospital guidelines with Council members as follows:

Need Methodology

- Demand-based methodology for new, expansion and replacement facilities
- Population projections segmented by age cohorts
- Five year planning horizon
- Use of target service area population for new hospitals

Exception to Need

- Applicant would not be required to address numerical need methodology or the adverse impact standard but would have to meet all other standards

Adverse Impact

- Provides a level of protection for hospitals around the state with critical healthcare missions (safety net providers and training programs)

Favorable Consideration

- Triggered when there are competing applications
- Allows favorable consideration for facilities with a history of providing higher annual percentage of services to Medicare, Medicaid, & PeachCare patients

Financial Access

- The Department has sought to ensure that all providers shoulder the burden of unreimbursed care
- The Department has the authority to fine an applicant that does not comply with such commitments

Quality

- Ensures that licensure or accreditation standards are being met
- Ensures highest quality of care for Georgia residents

Standard: Continuity of Care, Viability and Cost Containment

- Requires that all hospitals have an emergency room
- TAC and Department do not endorse “boutique hospitals”
- Establishes local referral relationships and coordinated care within and outside of the walls of the hospital

Standard: Consolidation of Rural Hospitals

- Defines conditions under which hospitals can consolidate to increase efficiency and patient access
- Limits consolidation to facilities in rural counties
- Allows consolidated hospital to maintain all beds

Standard: Consolidation of Non-Rural Hospitals

- Defines condition under which hospitals can consolidate to increase efficiency and patient access
- Limits consolidation to facilities in a single non-rural county
- Need for beds is limited to those identified through the numeric need methodology

There was some discussion about the inclusion of consolidation standards in the draft guidelines. Some Council members indicated that current market conditions exist to encourage consolidation and that there was no need for additional policy incentives to support consolidation in non-rural areas of the state. Ms. Hepburn said that this language, like that of the rural consolidation guidelines, was developed to enhance system efficiencies, decrease cost and provide a high quality of care. Two or more non-rural hospitals could submit an application to consolidate services into one single location. She said that the Department agreed that it is important to encourage system efficiencies, provide some flexibility and to achieve economies of scale by including this planning option.

A Council member inquired about the definition of a closed hospital. Ms. Hepburn indicated that the Certificate of Need for a hospital expires after 12 months of no service. If the provider would like to provide services following a 12-month cessation of service, a new CON would be required.

One HSC member recommended that the Council encourage the TAC to extend the definition of a safety-net hospital to include hospitals that are designated as Medicare Rural Referral Hospitals. Ms. Hepburn said that this issue was addressed during the TAC's deliberations. TAC members felt that rural hospitals should not be given special consideration for serving Medicare patients since Medicare continues to be a fair payor.

A Council member inquired about whether these rules reflect that CON is "good" and "right". Several members said that they believed that the CON program is worthy and that it achieves its goal of ensuring access to care and improving the quality, impact and value of Georgia's healthcare system.

Ms. Hepburn said that the proposed rules and the TAC's work reflect a balanced approached to planning. She said that public input was incorporated into the committee's work, noting that the public forum that the TAC held was the first such opportunity in the history of the planning and rule development process. She said that the TAC endorsed the draft plan and guidelines and recommended that they be forwarded to the Health Strategies Council for approval. She further indicated that as part of the planning process, the TAC would be reconvened in 1-2 years to review changes in the industry to ensure that the plan and guidelines allow adequate flexibility to the planning process. She said that the next step in the process, assuming the Council adopts them, would be to forward the rules to the Board of Community Health for formal posting and public comment.

Dr. Rahn recognized Jim Peak for his work as Chairman of the TAC. He thanked all HSC members for their participation. A motion to accept the draft Short Stay General Hospital Plan and Rules as submitted was made by Toby Sidman, seconded by Elizabeth Brock. The plan and rules were adopted unanimously. Dr. Rahn indicated that the rules would be forwarded to the Board of Community Health for posting for 30-day public comment period. The formal process would result in a plan and rules that would be implemented for use by February 2003.

REPORT FROM THE CARDIOVASCULAR SERVICES TECHNICAL ADVISORY COMMITTEE

Dr. Rahn called on Elizabeth Brock to provide a report of the work of the Reconvened Cardiovascular Services Technical Advisory Committee. Ms. Brock indicated that based on vote of the Health Strategies Council, the Cardiovascular Services TAC reconvened to consider any potential changes to the current plans and rules based on the Atlantic Cardiovascular Patient Outcomes Research Team (C-PORT) recently published findings of research undertaken between 1996 and 1999 in Massachusetts and Maryland. The research found that treating patients with percutaneous coronary interventions (angioplasty) in emergency situations was beneficial in certain instances in certain settings without on-site open-heart surgical backup. The Council limited the committee charge to issues relating to the regulatory guidelines for PCI and issues of cost, quality, capacity, and access related thereto. The Council asked that the Committee review the issues and provide recommendations by the November 22nd meeting of the Council.

The TAC met twice, on September 26th and November 1st. At the first meeting, the parties advocating for a change in the rules made a presentation on the merits of allowing PCI without open-heart backup in their hospitals. Other interested parties provided public comment and the TAC requested data on Georgia's utilization rates and geographic accessibility and information on other states' activities. These materials were provided via mail to the group between meetings. At the second meeting, the TAC had a spirited discussion about options and alternatives. The group grappled with the fact that neither the ACC nor any other state, including Maryland where the study occurred, had yet made changes in their regulatory guidelines based on the C-PORT study. The group had extensive discussion about the possibility of replicating the C-PORT study but some members did not feel that the "problem" had been sufficiently defined to merit such an undertaking. After taking public comments and considering a host of options, the group voted on the question of whether to initiate a pilot or study program. That vote failed to carry and the group remained divided on the question.

Recognizing that some research is continuing (in New York and New Jersey) and that the ACC would be re-evaluating their clinical guidelines, the TAC asked the staff to continue to monitor emerging research and issues. The TAC agreed to reconvene again in six months (mid-2003) to review any new materials.

As such, the TAC did not endorse any action or proposal for change for consideration by the Health Strategies Council relative to the current Specialized Cardiovascular Services plan and rules.

PRESENTATION: HEALTH CARE TRENDS AND INSURANCE IMPACTS

Raymer Sale, President, Multiple Benefits Corp and Health Strategies Council member, was scheduled to provide a presentation to the Council on the impact of insurance on the health care market. Due to time limitations, the presentation was not provided but has been rescheduled for the February 2003 meeting. Copies of the slide presentation were included in member packets. Members indicated that this is an area of great interest since professional liability, among other issues, is one of the key challenges to hospitals viability and one of the primary reasons that many physicians are leaving the State of Georgia.

SCHEDULE FOR HEALTH STRATEGIES COUNCIL SUBCOMMITTEE MEETING

Ms. Hepburn noted that the Health Strategies Council has established subcommittees that will meet annually to make recommendations to the Council. Each committee is expected to meet within the next

few weeks and will make recommendations to the Council at its February meeting. The Long Term Care Subcommittee is scheduled to meet following today's Council meeting. The Acute Care Subcommittee is scheduled to meet at 11:00 am on Friday, January 24, 2003 at Southern Regional Medical Center and the Special & Other Services Subcommittee meeting is being rescheduled. The details of all subcommittee meetings will be posted on the Department's website and public notices will be sent to everyone on the Division's Interested Parties mailing list. Everyone is encouraged to use these avenues as additional conduits for providing input into the plan and rules development process.

OTHER BUSINESS

Dr. Rahn and other Council members indicated that they were pleased to be able to hold the Health Strategies Council meeting in various locations around the state and again thanked Mr. Tanner for his hospitality.

REGULAR MEETING SCHEDULE FOR NEXT YEAR

The following Health Strategies Council meetings have been scheduled for the 2003 calendar year.

- February 28, 2003
- May 23, 2003
- August 22, 2003
- November 28, 2003 (Thanksgiving)—The Council may need to reconsider this date.

ADJOURNMENT

There being no further business, the meeting adjourned at 1:10 pm.

Minutes taken on behalf of chair by Stephanie Taylor and Valerie Hepburn.

Respectfully Submitted

Daniel W. Rahn, MD
Chair